

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 23, 2001 LB 536

support the bracket, but I don't want to confuse you any more than is necessary. But eventually I won't support the bill. I've never agreed with ethanol as a proposition, voted against advancement of the bill in the committee, although I voted for the committee amendments and will continue to vote for the committee amendments here on the floor and support the committee amendments because I think they're an improvement over the bill. My concern about ethanol efforts are in part what I think I've heard from Senator Chambers, although I haven't heard all of the discussion this morning. I remember at a Revenue Committee hearing, not this year, that we asked representatives of the ethanol industry whether they would ever become profitable, whether they could ever stand on their own. And that response, that's a little over two years old now, but the answer was no; we don't know when we're going to become profitable. Well, gasoline may be \$2 a gallon by the end of summer, don't want to alarm all of you, but that's what some people are predicting. Corn prices are in the tank so the raw product that goes in isn't worth...doesn't cost very much. The product that comes out goes into a high-cost product. You might think that in that environment ethanol plants were going to be profitable. Maybe we ought to go back and ask them whether they're going to be profitable in that environment, but I'll bet the answer is still no. Now we can make a decision to perpetually subsidize an industry in the state of Nebraska if we want to. Gosh only knows we're subsidizing some other industries, too. And maybe that's the underlying principle. If you're going to start subsidizing businesses, you just don't know where to stop. But if you recall, I haven't been real warm about those other subsidies either. Now this subsidy is designed to promote what people would characterize as agricultural or rural interest. And I certainly have an interest in promoting agriculture. But quite frankly, I don't see how this does it. Most of the producers that you talk to say that what it does is give you a little bit of a price bump, but it's only due to transportation costs. If you don't have to haul corn 1,000 miles to market, you only have to haul it 100 miles to market, you get the differential in the shipping price. But that's about all it's done because there is still an enormous glut of corn on the market. And no matter how much ethanol we produce, it doesn't seem to really impact it in the way that promoters of the